

State of Arizona  
Senate  
Forty-fifth Legislature  
Second Regular Session  
2002

CHAPTER 193

# **SENATE BILL 1041**

AN ACT

AMENDING SECTIONS 11-644, 28-5808, 42-15053 AND 42-18061, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 18, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-18127; AMENDING SECTIONS 42-18155, 42-18201 AND 42-18202, ARIZONA REVISED STATUTES; RELATING TO COUNTY TREASURERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 11-644, Arizona Revised Statutes, is amended to read:

11-644. Failure to present county check or warrant for payment;  
notice; claim

A. A check that is drawn by the county treasurer in the treasurer's official capacity or a warrant that is drawn on the county general fund and that is not presented for payment within one year after the date of issuance is void, and is deemed to have been paid AND IS NOT SUBJECT TO SECTION 44-302.

B. The entity drawing the check or warrant shall:

1. Notify the payee that the check or warrant is void. If the check is for less than fifty dollars, the notice shall be given by first class mail. If the check is for fifty dollars or more, the notice shall be given by certified mail.

2. Deposit the monies in the county general fund or other appropriate fund.

C. At any time within one year after an unrepresented check or warrant has been voided as provided in subsection A, the person in whose favor the check or warrant was drawn, or the person's personal representative, successors or assignees, may present a claim for the amount of the check or warrant to the board of supervisors. If the board finds that the claim is legitimate and that there is good and sufficient reason for failure to present the original check or warrant, the board may allow the claim and order it to be paid from the COUNTY general fund of the county OR OTHER APPROPRIATE FUND.

Sec. 2. Section 28-5808, Arizona Revised Statutes, is amended to read: 28-5808. Vehicle license tax distribution

A. The director shall distribute monies collected by the director pursuant to section 28-5801, except monies deposited in the state general fund, on the first and fifteenth calendar day of each month as follows:

1. On the first calendar day, the director shall deposit, pursuant to sections 35-146 and 35-147, all of the Arizona highway user revenue fund monies received from the first to the fifteenth calendar day of the preceding month to the Arizona highway user revenue fund.

2. On the fifteenth calendar day, the director shall deposit, pursuant to sections 35-146 and 35-147, all of the Arizona highway user revenue fund monies received from the sixteenth through the last day of the preceding month in the Arizona highway user revenue fund and distribute or deposit all other monies received during the entire preceding month as follows:

(a) The county general fund monies to the county general fund.

(b) The county highway monies to the state treasurer to be apportioned among the counties for the same use as highway user revenue fund monies on the basis that the population of the unincorporated area of each county bears

1 to the population of the unincorporated areas of all counties in this state  
2 as shown by the most recent United States decennial census.

3 (c) ~~The incorporated cities and towns monies to the county treasurer~~  
4 ~~to be distributed to the incorporated cities and towns of the county~~  
5 ~~apportioned in proportion to the population of each as shown by the most~~  
6 ~~recent United States census.~~

7 B. The director shall distribute monies collected by the director  
8 pursuant to sections 28-5804, 28-5805, 28-5806 and 28-5810, except monies  
9 deposited in the state general fund, on the first and fifteenth calendar day  
10 of each month as follows:

11 1. On the first calendar day, the director shall deposit, pursuant to  
12 sections 35-146 and 35-147, 37.61 per cent of all monies received from the  
13 first through the fifteenth calendar day of the preceding month in the  
14 highway user revenue fund.

15 2. On the fifteenth calendar day, the director shall deposit, pursuant  
16 to sections 35-146 and 35-147, 37.61 per cent of all monies received from the  
17 sixteenth through the last day of the preceding month in the highway user  
18 revenue fund and distribute or deposit the following amounts as a percentage  
19 of all monies received pursuant to sections 28-5804, 28-5805, 28-5806 and  
20 28-5810 during the entire preceding month as follows:

21 (a) 20.45 per cent to the county general fund.

22 (b) 4.91 per cent to the state treasurer to be apportioned among the  
23 counties for the same use as highway user revenue fund monies on the basis  
24 that the population of the unincorporated area of each county bears to the  
25 population of the unincorporated areas of all counties in this state as shown  
26 by the most recent United States decennial census.

27 (c) ~~20.45 per cent to the county treasurer to be distributed to the~~  
28 ~~incorporated cities and towns of the county apportioned in proportion to the~~  
29 ~~population of each as shown by the most recent United States census.~~

30 (d) Except as provided in subsection C of this section, 1.64 per cent  
31 shall be deposited, pursuant to sections 35-146 and 35-147, in the state  
32 highway fund established by section 28-6991.

33 (e) 4.09 per cent in the state highway fund established by section  
34 28-6991.

35 (f) 10.85 per cent shall be deposited, pursuant to sections 35-146 and  
36 35-147, in the state general fund to aid school financial assistance.

37 C. Through September 30, 2003, if the department's authorized share  
38 of federal surface transportation program monies in each year is more than  
39 forty-two million dollars, the director shall deposit each year in equal  
40 installments during the year an annual amount equal to the difference between  
41 this state's authorized share of federal surface transportation program  
42 monies and forty-two million dollars from the amount prescribed in subsection  
43 B, paragraph 2, subdivision (d) of this section in the local transportation  
44 assistance fund established by section 28-8101. Monies deposited in the  
45 local transportation assistance fund pursuant to this subsection shall be

1 distributed to eligible cities, towns and counties as provided in section  
2 28-8103. The amount distributed pursuant to this subsection shall not exceed  
3 the amount prescribed in subsection B, paragraph 2, subdivision (d) of this  
4 section.

5 D. If an incorporated city or town has had no federal enumeration, the  
6 supervisors shall both:

7 1. Appoint a qualified person to take an accurate census of the  
8 incorporated city or town.

9 2. Certify the results to the county treasurer, and the incorporated  
10 city or town shall share in the distribution as provided by this section.

11 Sec. 3. Section 42-15053, Arizona Revised Statutes, is amended to  
12 read:

13 42-15053. Duty to report personal property; confidentiality

14 A. On or before February 1 of each year, the assessor shall mail a  
15 form, notice or demand to each person who owns or has charge or control of  
16 taxable personal property in the state. Each person shall prepare and  
17 deliver to the assessor a correct report of property on or before April 1 of  
18 each year, except for property that is not required to be reported as  
19 provided by subsection C of this section. On written request and for good  
20 cause shown, the assessor may extend for up to thirty days the time for  
21 filing the report.

22 B. The duty to report taxable property pursuant to this section  
23 applies regardless of whether the person or entity that owns or has charge  
24 or control of the personal property also owns real property in the county  
25 with a value of two hundred dollars or more.

26 C. The assessor shall not require a report of:

27 1. The breed, number, age or location of livestock on hand from  
28 individuals, corporations, partnerships or any other business if the  
29 livestock is exempt from taxation pursuant to article IX, section 13,  
30 Constitution of Arizona.

31 2. The personal property that is class four property used for  
32 agricultural purposes or that is class three property used in a trade or  
33 business that is exempt from taxation pursuant to article IX, section 2,  
34 subsection (6), Constitution of Arizona.

35 D. Every assessment made against property subject to taxation is valid  
36 whether or not the form, notice or demand was sent or received.

37 E. The department shall prescribe in detail the contents of property  
38 reports including the specific wording to be used by county assessors and the  
39 method of reporting property. The report shall not include any question that  
40 is not germane to the valuation function.

41 F. A report that is furnished under this section:

42 1. Is not open to public inspection, but the report may be used as  
43 evidence in any prosecution brought under section 42-15055.

2. May be subject to audit. On completing an audit or on discovering property that has not been reported, any property that was found to have escaped taxation is liable for the amount of taxes due determined under chapter 16, article 6 of this title, plus a penalty equal to ten per cent of that amount. THE COUNTY TREASURER SHALL CREDIT MONIES RECEIVED AS PENALTIES UNDER THIS PARAGRAPH TO THE COUNTY GENERAL FUND.

Sec. 4. Section 42-18061, Arizona Revised Statutes, is amended to read:

42-18061. Refund of overpayment due to change in tax roll;  
reversion of unclaimed refund

A. If a change is made in the tax roll pursuant to law, the county treasurer shall refund any taxes that have been overpaid as a result of the change as follows:

1. If monies are available, the county treasurer shall pay the refunds out of those monies in the current year.

2. If monies are not available, the board of supervisors shall budget for the refund in the next fiscal year.

3. The county treasurer is entitled to credit for the refunds in the next accounting after the repayment with each of the political subdivisions and this state to which the overpayment of tax was distributed.

4. The state and any affected political subdivision shall include in their budgets for the fiscal year the proportional amount of the refund for which each is liable.

B. If a refund that is authorized by this section is unpaid and unclaimed two years after the original due date of the tax FISCAL YEAR IN WHICH IT WAS BUDGETED, the monies that were budgeted for the refund revert to the county general APPROPRIATE fund OF THE POLITICAL SUBDIVISION THAT LEVIED THE TAX.

Sec. 5. Title 42, chapter 18, article 3, Arizona Revised Statutes, is amended by adding section 42-18127, to read:

42-18127. Expiration of lien and certificate; notice;  
applicability

A. IF THE TAX LIEN IS NOT REDEEMED AND THE PURCHASER OR THE PURCHASER'S HEIRS OR ASSIGNS FAIL TO COMMENCE AN ACTION TO FORECLOSE THE RIGHT OF REDEMPTION AS PROVIDED BY THIS CHAPTER WITHIN TEN YEARS AFTER THE LAST DAY OF THE MONTH IN WHICH THE LIEN WAS ACQUIRED PURSUANT TO SECTION 42-18114, THE CERTIFICATE OF PURCHASE OR REGISTERED CERTIFICATE EXPIRES AND THE LIEN IS VOID.

B. AT LEAST THIRTY BUT NOT MORE THAN SIXTY DAYS BEFORE THE EXPIRATION DATE, THE TREASURER SHALL NOTIFY THE PURCHASER BY CERTIFIED MAIL OF THE PENDING EXPIRATION. WITHIN SEVEN DAYS AFTER EXPIRATION, THE TREASURER SHALL NOTIFY THE PURCHASER BY CERTIFIED MAIL THAT THE LIEN AND CERTIFICATE OF PURCHASE OR REGISTERED CERTIFICATE HAVE EXPIRED.

C. THIS SECTION APPLIES TO LIENS PURCHASED FROM AND AFTER THE EFFECTIVE DATE OF THIS ACT.

D. THIS SECTION DOES NOT APPLY IF, AT THE TIME OF EXPIRATION:

1. THE PARCEL FOR WHICH THE LIEN WAS PURCHASED IS SUBJECT TO A JUDICIAL PROCEEDING OR A THIRTY DAY NOTICE PURSUANT TO SECTION 42-18202.

2. OTHER APPLICABLE LAW OR COURT ORDER PROHIBITS THE COMMENCEMENT OF AN ACTION TO FORECLOSE THE RIGHT TO REDEEM. THE EXPIRATION DATE OF THE TAX LIEN SHALL BE EXTENDED TO TWELVE MONTHS FOLLOWING THE TERMINATION OF SUCH PROHIBITION.

Sec. 6. Section 42-18155, Arizona Revised Statutes, is amended to read:

42-18155. Payment of redemption money to holder of certificate of purchase or registered certificate

A. On demand of any person who is entitled to redemption money held by the county treasurer, the treasurer shall pay the money to that person on the surrender of the certificate of purchase OR ON THE REDEMPTION OF THE REGISTERED CERTIFICATE for the redeemed tax lien.

B. If only a portion of the tax lien on the property described in the certificate of purchase OR THE REGISTERED CERTIFICATE has been redeemed, the treasurer shall endorse on the certificate OR ANNOTATE THE RECORD OF THE REGISTERED CERTIFICATE the portion redeemed and the amount of money paid to the person holding the certificate and shall take a receipt for the money paid.

Sec. 7. Section 42-18201, Arizona Revised Statutes, is amended to read:

42-18201. Action to foreclose right to redeem

A. At any time beginning three years after the sale of a tax lien BUT NOT LATER THAN TEN YEARS AFTER THE LAST DAY OF THE MONTH IN WHICH THE LIEN WAS ACQUIRED PURSUANT TO SECTION 42-18114, if the lien is not redeemed, the purchaser or the purchaser's heirs or assigns, or the state if it is the assignee, may bring an action in superior court in the county in which the real property is located to foreclose the right to redeem. IF ANY APPLICABLE LAW OR COURT ORDER PROHIBITS BRINGING AN ACTION TO FORECLOSE THE RIGHT TO REDEEM, THE LIMITATION PROVIDED HEREIN SHALL BE EXTENDED TWELVE MONTHS FOLLOWING THE TERMINATION OF SUCH PROHIBITION.

B. THIS SECTION APPLIES TO LIENS PURCHASED FROM AND AFTER THE EFFECTIVE DATE OF THIS ACT.

Sec. 8. Section 42-18202, Arizona Revised Statutes, is amended to read:

42-18202. Notice

A. At least thirty days before filing an action to foreclose the right to redeem under this article, BUT NOT MORE THAN ONE HUNDRED EIGHTY DAYS BEFORE SUCH AN ACTION MAY BE COMMENCED UNDER SECTION 42-18101 the purchaser shall send notice of intent to file the foreclosure action by certified mail to:

1        1. The property owner of record according to the records of the county  
2 recorder in the county in which the property is located or to all of the  
3 following:

4        (a) The property owner according to the records of the county assessor  
5 in the county in which the property is located as determined by section  
6 42-13051.

7        (b) The situs address of the property, if shown on the tax roll and  
8 if different from the owner's address under subdivision (a).

9        (c) The tax bill mailing address according to the records of the  
10 county treasurer in the county in which the property is located, if that  
11 address is different from the addresses under subdivisions (a) and (b).

12       2. The treasurer of the county in which the real property is located.

13       B. The notice shall include:

14       1. The property owner's name.

15       2. The real property tax parcel identification number.

16       3. The legal description of the real property.

17       4. The certificate of purchase number.

18       5. The proposed date of filing the action.

19       Sec. 9. Vehicle license tax monies; Pinal county distribution

20       Notwithstanding section 28-5808, subsection A, paragraph 2, subdivision  
21 (c) and subsection B, paragraph 2, subdivision (c), Arizona Revised Statutes,  
22 as amended by this act, the director of the department of transportation  
23 shall distribute vehicle license tax monies collected pursuant to section  
24 28-5801, Arizona Revised Statutes, to the Pinal county treasurer for the  
25 incorporated cities and towns in Pinal county. The Pinal county treasurer  
26 shall distribute the monies to the incorporated cities and towns in Pinal  
27 county pursuant to the court order that requires such distribution. The  
28 director shall continue to distribute the monies to the Pinal county  
29 treasurer until the court order is satisfied. Once the court order is  
30 satisfied, the Pinal county treasurer shall notify the director of the  
31 department of transportation and the director shall directly distribute the  
32 monies to the incorporated cities and towns in Pinal county in proportion to  
33 the population of each pursuant to section 28-5808, subsection A, paragraph  
34 2, subdivision (c) and subsection B, paragraph 2, subdivision (c), Arizona  
35 Revised Statutes, as amended by this act.

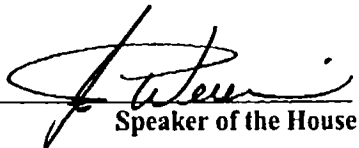
APPROVED BY THE GOVERNOR MAY 9, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 9, 2002.

Passed the House April 29, 20 02,

by the following vote: 44 Ayes,

12 Nays, 4 Not Voting

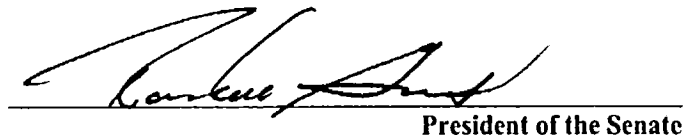
  
Speaker of the House

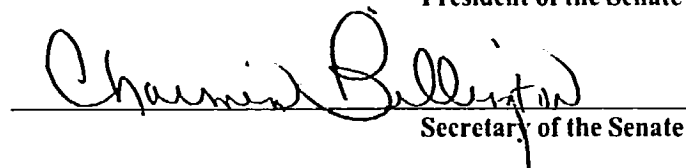
  
Chief Clerk of the House

Passed the Senate January 30, 20 02,

by the following vote: 26 Ayes,

0 Nays, 4 Not Voting

  
President of the Senate

  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

           day of           , 20           ,

at            o'clock            M.

            
Secretary to the Governor

Approved this            day of

          , 20           ,

at            o'clock            M.

            
Governor of Arizona

S.B. 1041

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this            day of           , 20           ,

at            o'clock            M.

            
Secretary of State

SENATE CONCURS IN HOUSE AMENDMENTS  
AND FINAL PASSAGE

Passed the Senate May 7, 2002

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

Randall Ament  
President of the Senate  
Charmian Bellin  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

7 day of May, 2002

at 4:30 o'clock P M.

Sandra Kermis  
Secretary to the Governor

Approved this 9 day of

May, 2002

at 12:26 o'clock P M.

Jan. La. Hill  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 9 day of May, 2002

at 3:27 o'clock P M.  
Kelley Boylen  
Secretary of State